



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AHSAM SECURITIES (PRIVATE) LIMITED**

**Report on the Audit of the Financial Statements**

**Basis for Opinion**

We have audited the annexed financial statement of **AHSAM SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2018 and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters stated below in the basis for opinion paragraph the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1. As disclosed note 7 to the annexed Financial Statements, loan from director amounting Rs. 8,112,234/-has not been amortized as per IAS-39 (financial instruments). Moreover the loan has been shown in non-current liabilities, which should have been classified in current liabilities in the absence of fixed payment term as per TR-32.



## **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual report 2018 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

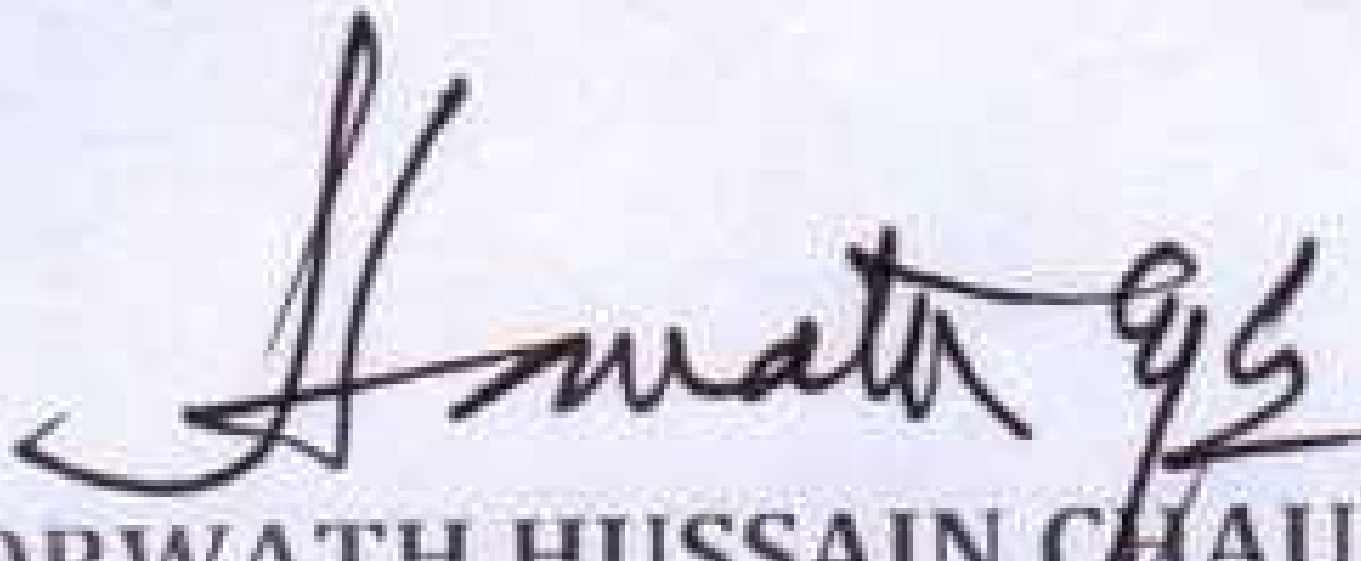
Based on our audit, we further report that in our opinion:

- a) except for the effects of the matters stated above proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the matters stated above the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat was not deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shahzad Qazi.

  
HORWATH HUSSAIN CHAUDHURY & CO.  
Chartered Accountants  
Shahzad Qazi (FCA)  
Date: 26 SEP 2010  
Islamabad



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

	Note	2018 RUPEES	2017 RUPEES
<b>RESERVES &amp; LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>SHARE CAPITAL</b>			
Authorized Share Capital	5	20,000,000	15,000,000
Issued, subscribed and paid up capital		20,000,000	15,000,000
Unappropriated (Loss)		(1,105,204)	(1,103,403)
		18,894,796	13,896,597
Gain on demutualization	6	35,346,030	35,346,030
<b>NON - CURRENT LIABILITIES</b>			
Loan from directors	7	8,112,234	8,112,234
<b>CURRENT LIABILITIES</b>			
Accrued expenses	8	90,000	15,000
Director Current Account		2,381,772	2,876,674
Provision for taxation		242,711	72,038
		2,714,483	2,963,712
		65,067,543	60,318,574
<b>ASSETS</b>			
<b>TANGIBLE NON - CURRENT ASSETS</b>			
Property, plant & equipment	9	14,892,416	15,300,169
<b>INTANGIBLE NON - CURRENT ASSETS</b>			
TREC		5,000,000	5,000,000
Long term security deposit		1,855,000	1,855,000
<b>CURRENT ASSETS</b>			
Investment-available for sale due to demutualization		30,346,030	30,346,030
Marketable Securities		1,835,472	1,835,472
Advance Tax		221,230	136,521
Cash and bank balance	10	10,917,395	5,845,382
		43,320,127	38,163,405
		65,067,543	60,318,574

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 RUPEES	2017 RUPEES
Revenue		-	-
Operational expenses	11	(603,609)	(966,537)
Operating (loss)		(603,609)	(966,537)
Other income	12	772,481	298,866
Profit/(Loss) before taxation		168,872	(667,671)
Taxation		(170,673)	(72,038)
(Loss) after taxation		(1,801)	(739,709)

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

AHSAM SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018

	2018 RUPEES	2017 RUPEES
Loss after tax for the year	(1,801)	(739,709)
Total comprehensive Loss for the year	<u>(1,801)</u>	<u>(739,709)</u>

The annexed notes form an integral part of these financial statements.

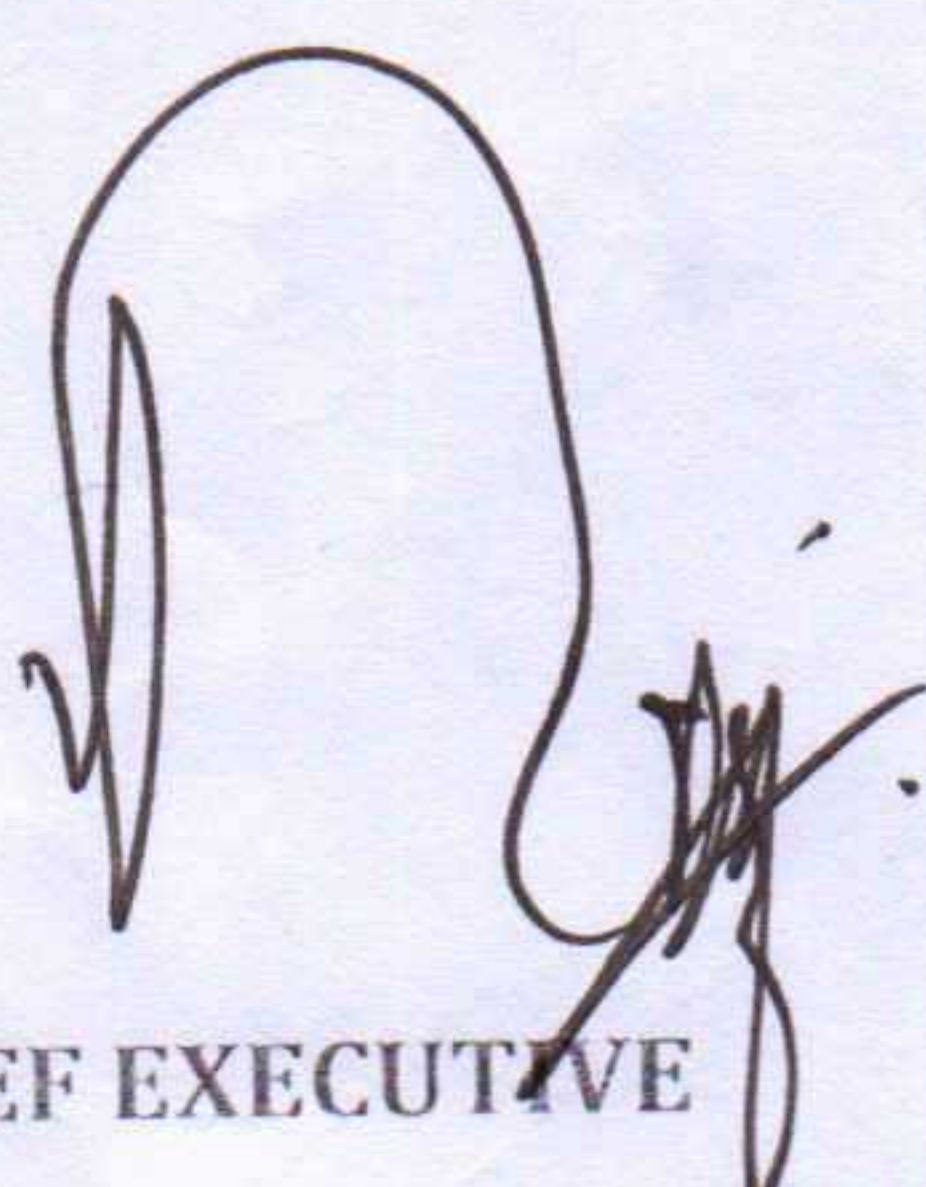
  
CHIEF EXECUTIVE

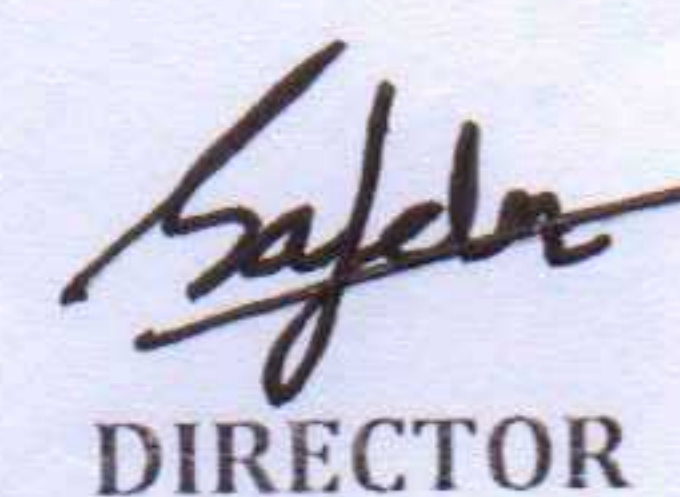
  
DIRECTOR



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	NOTE	2018 RUPEES	2017 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		168,872	(667,671)
<b>Adjustments for non cash items</b>			
Depreciation		407,753	439,800
Operating Profit/(Loss) before Working capital Changes		576,625	(227,871)
<i>(Increase) / decrease in current assets</i>			
Marketable Securities		-	(1,456,222)
Investment-available for sale due to demutualization		-	-
		-	(1,456,222)
<i>Increase / (decrease) in current liabilities</i>			
Accrued Expenses		75,000	(70,000)
Trade Creditors & Other Payable		(494,902)	58,094
		(419,902)	(11,906)
Cash Generated from Operating activity		156,723	(1,695,999)
Income Tax paid		(84,709)	(23,806)
Net Cashflow From Operating Activities		72,013	(1,719,805)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Long term security deposit		-	(1,450,000)
Net Cashflow From Investing Activities		-	(1,450,000)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Introduced		5,000,000	5,000,000
Net Cashflow From Financing Activities		5,000,000	5,000,000
<b>NET CASHFLOW DURING THE YEAR</b>		5,072,012	1,830,195
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>		5,845,383	4,015,187
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>		10,917,395	5,845,382

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Particulars	(Rupees)		
	Share capital	Accumulated Profit / (loss)	Total
Balance as on June 30, 2016	10,000,000	(363,694)	9,636,306
Capital raised during the year	5,000,000	-	5,000,000
Loss for the year	-	(739,709)	(739,709)
Balance as on June 30, 2017	15,000,000	(1,103,403)	13,896,597
Shares Issued	5,000,000	-	5,000,000
Loss for the year	-	(1,801)	(1,801)
Balance as on June 30, 2018	20,000,000	(1,105,204)	18,894,796

CHIEF EXECUTIVE

DIRECTOR



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**1 Corporate and general information**

**1.1 Legal status and operations**

Ahsam Securites (Pvt) Ltd (the Company) is a Private Limited Company incorporated on September 24, 2012 under Companies Ordinance 1984 (Repealed with the enactment of the Companies Act, 2017).

The main business of the company is to assist, regulate or control the business of buying, selling securites, facilitating public securites and to initiate activites in relation to stock exchange and money market etc.

The geographical location and address of the Company's office is as under:

Its registered office is situated at 27-A, Lane # 3, Gulistan Colony, Rawalpindi Cantt.

**1.1 Summary of significant events and transactions in the current reporting period**

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- The Company issued further Issued, subscribed and paid up capital of 500,000 ordinary shares of Rs.10 each.

**2 Basis of preparation**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard for Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for the shares and TREC, which have been recorded at revalued amount

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**2.4 Key judgements and estimates**

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are discussed in the ensuing paragraphs.

**2.4.1 Property and equipment**

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

**2.4.2 Provisions**

A provision is recognized when, and only when the Company has a present obligation (legal or constructive) as a result of past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

**2.4.3 Impairment**

The carrying amount of the Company's assets are reviewed regularly to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is charged to profit and loss account.

**2.4.4 Income taxes**

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

The following amendments/improvements to approved accounting standards, effective for accounting periods beginning from the dates specified below and are either not relevant to the Company's current operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

- IFRS15 - Revenue from contracts with customer (effective for annual periods beginning on or after 01 July 2018).
- IFRS16 - Leases - (effective for annual periods beginning on or after 01 January 2019).
- IFRS 9 - Financial Instruments - (effective for annual periods beginning on or after 01 July 2018).

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

**4.1 Property, plant and equipment**

**Initial recognition**

All items of property, plant and equipment are initially recorded at cost.

**Subsequent measurement**

Items of property, plant and equipment other than land, buildings and capital work in progress are measured at cost less accumulated depreciation

**Depreciation**

Depreciation is charged so as to write off the cost or revalued amount of assets over their estimated useful lives, using the straight-line method.

**4.2 Provisions**

A provision is recognized when, and only when the Company has a present obligation (legal or constructive) as a result of past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**4.3 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities other than at fair value through profit or loss are initially recognised at fair value plus transaction costs. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged to profit or loss for the year. Any gain or loss on derecognition of financial assets and financial liabilities is included in profit or loss for the year.

**4.4 Impairment**

The carrying amount of the Company's assets are reviewed regularly to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is charged to profit and loss account.

**4.5 Non Current Assets**

**Owned assets**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is provided on reducing balance method over the estimated useful lives of the assets at rates specified in note 8 to the financial statements.

**4.6 Income taxes**

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**4.7 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise cash and bank balances



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**5 Share capital**

**- Authorized**

2,000,000 (2017: 1,500,000) Ordinary Shares of Rs 10/- each

**2018**  
**RUPEES**

**2017**  
**RUPEES**

20,000,000

15,000,000

**- Issued, subscribed and paid up**

2,000,000 (2017: 1,500,000) Ordinary Shares of Rs 10/- each

20,000,000

15,000,000

20,000,000

15,000,000

**5.1** No share have been issued/redeemed/canceled during the year.

**6 SURPLUS / GAIN ON REVALUATION OF SHARES /TREC ON DEMUTUALIZATION AND CORPORATIZATION OF STOCK EXCHANGE**

Pursuant to the promulgation of the Stock Exchange (Corporation, Demutualization and integration) Act, 2012 (The Act) the ownership in a stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISE and trading Right Entitlement (TRECs) in lieu of its membership card of ISE on August 26, 2014. The company's entitlement in respect of ISE's shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and company has been allotted 3,034,603 shares of the face value of Rs 10/- each, out of which 1,820,761 shares are kept in the blocked account and the divorcement of the same will be made in accordance with the requirement of the Act within two years from the date of demutualization.

In the absence of an active market of the shares of ISE and TREC, the company has taken the cost of the shares ( at issued price of Rs 10 each ) and TREC at 5.00 million which is the value approved by the Board of Directors of ISE and endorsed by the SECP. Consequently the company has recorded surplus of RS 34.346 million on conversion of membership card of ISE to shares and TREC in The equity as effect of Corporatization Demutualization Act, and this surplus on revaluation is approved by SECP.

Shares  
TREC

**2018**  
**RUPEES**

**2017**  
**RUPEES**

30,346,030

30,346,030

5,000,000

5,000,000

35,346,030

35,346,030

**7 LOAN FROM DIRECTORS**

This represent unsecured and interest free loan obtained from directors of the company and payment term has not yet been finalized.

**8 ACCRUED EXPENSES**

Audit Fee

90,000

15,000

90,000

15,000



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**9 PROPERTY PLANT& EQUIPMENT**

PARTICULARS	C O S T			RATE %	D E P R E C I A T I O N			W.D.V AS ON 30-06-2018
	AS ON	ADDITION	AS ON		AS ON	FOR THE	AS ON	
	July 01, 2017		June 30, 2018		July 01, 2017	YEAR	June 30, 2018	
	RUPEES							

Land	8,046,334	-	8,046,334	-	-	-	-	8,046,334
Office Premises	7,395,000	-	7,395,000	5	721,013	333,699	1,054,712	6,340,288
Electric Installations	138,000	-	138,000	15	38,295	14,956	53,251	84,749
Furniture & Fixture	497,000	-	497,000	10	94,430	40,257	134,687	362,313
Office Equipments	27,350	-	27,350	10	5,197	2,215	7,412	19,938
Computer & Printers	113,100	-	113,100	30	57,681	16,626	74,307	38,793

<b>2018</b>	16,216,784	-	16,216,784		916,615	407,753	1,324,368	14,892,416
<b>2017</b>	16,216,784	-	16,216,784		476,815	439,800	916,615	15,300,169

PARTICULARS	C O S T			RATE %	D E P R E C I A T I O N			W.D.V AS ON 30-06-2017
	AS ON July 01, 2016	ADDITION	AS ON June 30, 2017		AS ON July 01, 2016	FOR THE YEAR	AS ON June 30, 2017	
	RUPEES							
Land	8,046,334	-	8,046,334	-	-	-	8,046,334	
Office Premises	7,395,000	-	7,395,000	5	369,750	351,263	721,013	6,673,988
Electric Installations	138,000	-	138,000	15	20,700	17,595	38,295	99,705
Furniture & Fixture	497,000	-	497,000	10	49,700	44,730	94,430	402,570
Office Equipments	27,350	-	27,350	10	2,735	2,462	5,197	22,154
Computer & Printers	113,100	-	113,100	30	33,930	23,751	57,681	55,419
2017	16,216,784	-	16,216,784		476,815	439,800	916,615	15,300,169
2016	8,046,334	8,170,450	16,216,784		-	476,815	476,815	15,739,969



**AHSAM SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

		<b>2018</b>	<b>2017</b>
		<b>RUPEES</b>	<b>RUPEES</b>
<b>10 CASH AND BANK BALANCE</b>			
Cash in hand		138,826	26,499
Cash at bank	10.1	10,778,569	5,818,883
		<u>10,917,395</u>	<u>5,845,382</u>
<b>10.1</b> Soneri Bank Limited-A/C 2080104191		42,530	36,853
Soneri Bank Limited-A/C 1022115527		55,073	77,309
Soneri Bank Limited-A/C		-	5,699,711
NIB Bank Limited-A/C 14532738		11,391	322
Silk Bank DHA		10,614,604	-
JS Bank PSX		594	594
JS Bank Clients		54,377	4,095
		<u>10,778,569</u>	<u>5,818,883</u>
<b>11 OPERATING EXPENSES</b>			
Professional & Legal Expenses		117,997	493,545
Financial charges		2,859	3,192
Other Expenses	11.1	75,000	30,000
Depreciation		407,753	439,800
		<u>603,609</u>	<u>966,537</u>
<b>11.1 Other Expenses</b>			
Annual audit fee		75,000	30,000
		<u>75,000</u>	<u>30,000</u>
<b>12 OTHER INCOME</b>			
Dividend income		348,979	98,143
Bank Profit		423,502	200,723
		<u>772,481</u>	<u>298,866</u>
<b>13 BASIC EARNING/ (LOSS) PER SHARE</b>			
Profit / (Loss) After Taxation		(1,801)	(739,709)
Number of Ordinary Shares Issued		20,000,000	15,000,000
Loss Per Share		<u>(0.00)</u>	<u>(0.05)</u>

There is no dilutive effect on the basic earning per share



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	2018 RUPEES	2017 RUPEES
<b>14 TOTAL NUMBER OF EMPLOYEES</b>		
Total employees of the Company at the year end	Nil	Nil
Average employees of the Company during the year	Nil	Nil

**15 PROVIDENT FUND**

No Provident fund was not maintained by the Company.

**16 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

Directors and chief executive are not getting any remuneration.

**17 FINANCIAL INSTRUMENTS**

	Fair value through profit or loss		Amortized cost		Total	
	2018	2017	2018	2017	2018	2017
	(Rupees)					
<b>Financial assets</b>						
Investment-available for sale due to demutualization	30,346,030	30,346,030	-	-	30,346,030	30,346,030
Marketable Securities	1,835,472	1,835,472	-	-	1,835,472	1,835,472
Cash and Bank Balances	10,917,395	5,845,382	-	-	10,917,395	5,845,382
	<u>43,098,897</u>	<u>38,026,884</u>	<u>-</u>	<u>-</u>	<u>43,098,897</u>	<u>38,026,884</u>
<b>Financial liabilities</b>						
Director Current Account	2,381,772	2,876,674	-	-	2,381,772	2,876,674
	<u>2,381,772</u>	<u>2,876,674</u>	<u>-</u>	<u>-</u>	<u>2,381,772</u>	<u>2,876,674</u>



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2018 RUPEES	2017 RUPEES
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**17.1 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**17.1.1 Risk management policies**

The Company's objective in managing risks is the creation and protection of stake holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing to meet their objectives. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

**17.1.2 Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulator requirements.

**Exposure to credit risk**

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as

	2018 Rupees	2017
Long term security deposit	1,855,000	1,855,000
Investment-available for sale due to demutualization	30,346,030	30,346,030
Marketable Securities	1,835,472	1,835,472
Bank Balance	10,778,569	5,818,883
	<u>44,815,071</u>	<u>39,855,385</u>

To manage exposure to credit risk in respect of financial assets, management performs credit reviews taking into account the third party's financial position, past experience and other factors.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

**Concentration of credit risk**

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

**Impaired assets**

During the year no assets have been impaired.



**AHSAM SECURITIES (PRIVATE) LIMITED**  
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2018 RUPEES	2017 RUPEES
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**17.1.3 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

	Carrying Amount	Contractual Cash Flows	Six months or less	Six to Twelve months Rupees	One to two years	Two to five years	Over five years
<b>2018</b>							
Loan from directors	8,112,234	8,112,234	8,112,234	-	-	-	-
Accrued expenses	90,000	90,000	90,000				
Director Current Account	2,381,772	2,381,772	2,381,772	-	-	-	-
	<u>8,112,234</u>	<u>8,112,234</u>	<u>8,112,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Carrying Amount	Contractual Cash Flows	Six months or less	Six to Twelve months Rupees	One to two years	Two to five years	Over five years
<b>2017</b>							
Loan from directors	8,112,234	8,112,234	8,112,234	-	-	-	-
Accrued expenses	15,000	15,000	15,000	-	-	-	-
Director Current Account	2,876,674	2,876,674	2,876,674	-	-	-	-
	<u>8,112,234</u>	<u>8,112,234</u>	<u>8,112,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**17.1.4 Market risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

**a) Currency risk**

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.



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**2018**  
**RUPEES**

**2017**  
**RUPEES**

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from borrowings and investments.

**18 TRANSACTIONS WITH RELATED PARTIES**

The related parties and associated undertakings of the Company comprise of associated companies, transactions with related parties and associated undertakings involve advance as long term investment, details are as follows :

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances		
Abbas Ali Raza	Director by Holding 62% Share	Payable at year end	8,112,234	8,112,234
Abbas Ali Raza	Director by Holding 62% Share	Repayment of Loan	494,902	2,876,674
		Payable at year end	2,381,772	

**19 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transactions.

**20 Date of Authorization for Issue**

**26 SEP 2018**

These Financial statement were authorized for issue of on \_\_\_\_\_ by the Board of Director of the Company.

**21 GENERAL**

Figures have been rounded off to Nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR